

BOARD OF AGRICULTURE, TRADE AND CONSUMER PROTECTION MINUTES

March 22, 2013

The Board of Agriculture, Trade and Consumer Protection met on March 22, 2013, at the Department of Agriculture, Trade and Consumer Protection, 2811 Agriculture Drive, Board Room, Madison, WI. The meeting was preceded by public notice as required by s. 19.84, Stats.

Call to Order

Board Chair Andy Diercks called the meeting to order at 9:06 a.m.

Members Present

Miranda Leis, John Koepke, Andy Diercks, Mark Schleitwiler, Richard Cates, Pam Garvey and Margaret Krome were present. Enrique Figueroa and Michael Dummer were absent.

Minutes

Motion

Margaret Krome made a motion to approve the February 19, 2013, Board minutes. Second by Richard Cates. Motion approved unanimously.

Recognition

Ben Brancel recognized Margaret Krome for her work and dedication to the Board of Agriculture, Trade and Consumer Protection. Krome has served on the Board for 10 years, and today is her last meeting.

ATCP 10 and 12 – Animal Disease and Movement and Animal Markets, Truckers and Dealers (Scope Statement)

Dr. Paul McGraw, Animal Health Division, asked the Board to approve a scope statement for proposed amendments to chs. ATCP 10 and 12 related to animal disease and movement and animal market, truckers and dealers.

The proposed rule will modify current animal health rules to align them with federal regulations, state statutory requirements, and previous rule modifications. The proposed rule will also make various modifications to provide for flexibility and consistency.

Motion

Margaret Krome made a motion to approve the scope statement. Second by Pam Garvey.
Motion approved unanimously.

ATCP 17, 21, 53, 60, 70, 80 and 88 – Minor and Technical Changes to Multiple Department Chapters (Scope Statement)

David Meany, Chief Legal Counsel, asked the Board to approve a scope statement related to current DATCP rule chs. 17, 21, 53, 60, 70, 80 and 88 related to Livestock Premises Registration, Plant Inspection and Pest Control, Agricultural Enterprise Areas, Dairy Farmers, Food Processing Plants, Dairy Plants and Egg Grading, Handling and Labeling. The proposed rule will make technical changes (non-substantive changes) to a number of administrative code chapters administered by DATCP.

Motion

Miranda Leis made a motion to approve the scope statement. Second by Margaret Krome.
Motion approved unanimously.

Wisconsin Agricultural Statistics Services (WASS)

Greg Bussler, Wisconsin Agricultural Statistics Service, updated the Board on the following:

- Wisconsin milk production was down last month.
- The Census of Agriculture Questionnaire
 - 71% of farmers have returned the questionnaire in Wisconsin.
 - 64% of farmers have returned the questionnaire nation-wide.
- The Prospective Planning Survey results will be released on March 28, 2013.
- National Agricultural Statistics Services (NASS) – Due to program cuts made by NASS through October 1, 2013, the following reports will not be released:
 - Milk Production Report
 - Mink Report
 - Cranberry Forecast
 - Apples and Tart Cherry Forecast
 - Processing Vegetable Forecast

Exotic Plant Pests (Report)

Melody Walker and Christopher Deegan, Agricultural Resources Management Division, updated the Board on Exotic Plant Pests, and the department's role in this area, and the various factors that the department must evaluate in determining the appropriate response to address a particular plant pest.

An exotic plant pest, also known as an introduced pest, is a pest not native to the United States that injures plants or plant products. These pests include insects, mites, nematodes, snails & slugs, parasitic plants, bacteria, viruses or fungi.

Exotic plant pests are found through surveys or state, federal or international networks. After an exotic plant pest is found, a pest risk assessment is conducted to assess the consequences of an introduction into Wisconsin. Based on the assessment and if the pest is likely to become established in Wisconsin and cause harm, the next step is determining the department's initial response, which can change over time.

All regulatory decisions are made after extensive consultation with national and regional plant boards, neighboring states, federal and state agencies, and industry associations. The primary goal of any regulatory action is to defend Wisconsin's resource base to protect the supply and promote trade. All regulations impose some business constraints, but the department seeks input in order to minimize the economic impact while mitigating pest risk.

Six Sigma (Report)

Perry Brown, Office of the Secretary, provided the board information on the department's Six Sigma – Continuous Improvement program initiated under the Governor's Executive Order #66, which directed all state agencies to implement a "Lean Government" program.

Six Sigma – Continuous Improvement is a management philosophy focused on maximizing the value of services to customers, while minimizing waste, and providing a systematic approach for continuous improvement through team leadership.

The process of Six Sigma and Lean Government:

- Analyzes process flow and delays at each process step.
- Distinguishes "value-added" from "non-value added" work.
- Utilizes tools from the Lean Government program to eliminate root causes of non-value added activities.
- Focuses on need to recognize opportunities and eliminate defects.
- Relies on data-driven decisions.
- Provides tools for problem solving.

When the department initially implemented Six Sigma – Continuous Improvement, projects included the review of travel voucher submission and payment process, out-of-state travel submission and approval process and lab sample result report-out to division and customers. Moving forward, 11 of the 15 departmental bureaus have initiated a new Six Sigma – Continuous Improvement project as of February 1, 2013. Under the direction of trained team leaders, each bureau has formed an in-house re-design team and has established a goal date of June 30, 2013, to produce reports.

Wisconsin International Trade Team Update (Report)

Jen Pino-Gallagher, Enrique Gandara, Jennifer Lu, Ashwini Roa and Lisa Stout, Agricultural Development Division, updated the Board on the international trade team within the Agricultural Development Division, Agricultural Market Development Bureau.

As the department continues to expand trade team services, agricultural exports have grown in 2012 to \$2.94 billion. Wisconsin ranks as the 13th largest exporting state of agricultural products by value.

Since 1965, DATCP has offered international services to Wisconsin exporters, including exporter education, market research and market development. Moving forward, it is vital to demonstrate the department's commitment to innovation, and highlight the services and resources available.

Three-quarters of the fastest growing metropolitan economies in 2012 were located in developing regions such as Asia, Latin America, and the Middle East and Africa. The department will focus efforts to engage a greater number of companies in exporting as a result of a shrinking U.S. market.

Federal Legislative Report

Matt Tompach, Federal Policy Advisor, updated the Board on federal legislation. Congress gave final passage yesterday to a continuing resolution (CR) funding the remaining seven months of Fiscal Year (FY) 13, which began October 1.

The federal government has been operating under a six month CR that would have expired March 27. Congress is expected to recess next week, moving the expiration date closer to March 22.

Federal spending cuts were imposed on March 1 through an across-the-board reduction in domestic spending mandated by the Budget Control Act of 2011. There are exemptions for Medicaid, Social Security and Medicaid.

The United States Department of Agriculture (USDA) has stated that most programs will be reduced by 5 percent. However, because the reductions must be taken over the remaining seven

months, of this fiscal year, the cut is closer to 10 percent. DATCP will explore managing spending reductions in ways that mitigate, to the extent possible, the impact on programs.

Board Member Matters

Mark Schlietwiler: To meet the demands of a milk supply, BelGiosio will begin construction to expand two plants. The World Champion Cheese Contest was held in Green Bay where BelGiosio won three first place awards for Fresh Mozzarella, Sharp Provolone and Romano.

Miranda Leis: The construction schedule at Organic Valley is beginning slightly later than usual because the ground is still frozen. The distribution expansion project at Organic Valley is expected to be completed within the next 15 to 30 days. Leis thanked Margaret Krome for her work while serving on the Board.

Margaret Krome: Krome is discouraged by the partisanship that continues to hinder passage of the Farm Bill. The previous Continuing Resolution (CR) was passed without authorization for the conservation stewardship program, which prevented individuals from signing-up for the program. The Senate proposed a technical fix in the current CR, which the house accepted and it is now included. Krome thanked Andy Diercks for his participation in the most recent "Rethinking Nutrient Management" meeting which focused on water quality issues. Krome expressed her appreciation for the collegial nature displayed by the Board and regardless of perspective or outcome, was able to express herself freely.

John Koepke: Koepke thanked Margaret Krome and Pam Garvey for their work on the Board. The Waukesha County Farm Bureau continues to try and reach every 4th grade class in the county to educate students on agriculture. Koepke found the video that was presented during the Wisconsin Trade Team Update as the best and most useful tool to come from the department. Koepke participated in the Dairy Farmers of America National Meeting on a panel discussion related to milk marketing and risk management and is serving on the Department of Natural Resources Plan Review Team of NR 590. Approximately ten days ago, Koepke's family closed on the sale and donation of a conservation easement of 110 acres of farmland that has been owned by his family for the past 138 years.

Pam Garvey: Garvey thanked the Board for the opportunity and experience to serve on the Board the past two years. Garvey's family is involved in the turkey industry and was approached by Jenni-O Turkey to participate in filming a promotional video for suppliers. Garvey stated that the biggest challenge in agriculture is the nation's understanding of what is a corporation and what is a corporate farm. Corporations are set up for different reasons, and her corporation consists of her and her husband. Things are quiet in crop insurance.

Richard Cates: The final beginning farmer semester class was held, where seven students presented an in-class business plan to a panelist of farmers and lenders. Tomorrow, Cates will conduct the Farm and Industry Short Course Graduation where 600 people are expected. Cates thanked Enrique Figueroa, Margaret Krome and Pam Garvey for their work on the Board. The

members who have, and continue to serve on the Board have always been collegial, respectful and thoughtful.

Andy Diercks: Diercks participated in Ag Day at the Capitol, which is a great event to visit with legislators, and in the Nutrient Management Planning meeting. Diercks was invited by Jim VandenBrook to sit on a water panel and speak with individuals that do not support the current methods used for water conservation. Diercks thanked Margaret Krome, Enrique Figueroa and Pam Garvey for their work on the Board.

Secretary's Report

Secretary Brancel updated the Board on the following:

Recognition

Secretary Brancel recognized Board Member Pam Garvey with a Certificate of Appreciation for her two years of service on the Board. Today is Pam's last meeting.

ATCP 49 Public Hearings

Public hearings have been held for ATCP 49, related to Wisconsin's Farmland Preservation Program. Hearings were well attended and the comments received focused largely on implementing how things are currently done and how it can be written in the rule.

ATCP 50 Public Hearings

Public Hearings for ATCP 50, related to soil and water conservation, have not yet started, however, briefings with the agricultural community, including environmental and conservation communities have begun to address any potential misunderstandings within the rule.

DATCP Video

The video that was presented during the Wisconsin Trade Team update will be loaded on youtube.com by tonight and a link will be sent to the Board.

State Veterinarian

The first round of interviews has concluded for the state veterinarian. An appointment will not be made until the end of April or May.

NR 151 Interpretations

Secretary Brancel has been approached by a legislator, farmer and an individual related to how NR 151 is being interpreted as it relates to "pasture." The department's ATCP 50 follows NR

151, so a meeting will be scheduled to discuss the situations presented to the Secretary, and determine how DNR currently administers the rule.

Farmland Preservation Programs

The department has found some administrative functionality problems within the PACE program. Secretary Brancel is questioning the strength of an Agricultural Enterprise Area (AEA) to retain its agricultural value when the town of Palmyra annexed farmland that was deemed part of an AEA within its community boarders allowing the land be used for other purposes other than agriculture. Secretary Brancel will explore statutory language that would strengthen the value of an AEA and not allow changes proposed by one government to make changes to the AEA.

Finance Committee Hearing

Secretary Brancel testified before the finance committee, where his testimony was fairly well-received. Brancel turned down new funds offered for agricultural exports and food safety until a direct need is identified for the additional resources.

One committee member suggested a reduction in funds for tank and quality assessment for the petroleum program. Staff from the Department of Safety and Public Services will transfer to the department and until cross training of staff can be completed, the needs for specific resources are unknown and they should not be reduced until training is completed.

Capitol Budget

The Capitol Budget is being forwarded to the legislature and will go under review by the finance committee. The \$31 million project to upgrade Babcock Hall is in the budget and is expected to move forward as the matching funds requirement has been met.

The Governor did not recommend funding for a meat and muscle lab at the UW, but the sub-committee added the lab to the recommendation, which was adopted by the full commission. This \$42 million program will require an approximate \$22 million match from the industry.

World Dairy Expo/Alliant Center

Jeff Lyon continues to work with the World Dairy Expo, Alliant Center and Dane County related to refurbishing the building, which includes razing 11 buildings and building 2, and constructing the new buildings in an environmentally controlled method that will allow the use to be expanded seasonally.

Future Schedule and Agenda Items

The Board is scheduled to meet May 14 in Madison.

Adjournment

By unanimous consent, the Board adjourned at approximately 2:15 p.m.

Andy Diercks, Board Chair

John Koepke, Secretary